



17555 Peak Avenue  
Morgan Hill, CA 95037-4128  
TEL: 408-779-7271  
FAX: 408-779-3117  
[www.morganhill.ca.gov](http://www.morganhill.ca.gov)

**EVE TATE**  
Mayor

**RECEIVED**

JUL - 9 2007

CITY OF SAN JOSE  
DEVELOPMENT SERVICES

June 29, 2007

Honorable Chuck Reed, Mayor  
City of San José  
200 East Santa Clara Street  
San Jose, CA 95113

**Subject: Coyote Valley Specific Plan and Draft EIR**

Dear Mayor Reed:

This letter is being sent to the City of San Jose as a joint letter of comment from South County agencies, on the Draft Environmental Impact Report (DEIR) for the proposed Coyote Valley Specific Plan. The City of Morgan Hill hosted two South County Agency Stakeholder meetings, and this letter presents comments that represent the common views and concerns of our agencies. Each of our agencies has also sent or will be sending a letter expressing individual agency comments and concerns, but we believe that it is important for the City of San Jose to be aware of key views and concerns that are shared by each of the South County agencies.

It is important to note that each agency recognizes that there is value in planning ahead for future development of Coyote Valley. We all recognize and appreciate the effort that has gone into development of the draft Specific Plan, and applaud use of the "new urbanism" and "smart growth" concepts to reduce the level of impact that would otherwise result from a more traditional form of development. A Coyote Valley Plan that provides for a balance of both jobs and housing is preferred over a plan that would lead to predominantly jobs or predominantly housing. However, we all believe that certain aspects of the Specific Plan have not been sufficiently developed, and consequently the DEIR is significantly flawed and is not an adequate informational document for decision making. We believe that the information generated to date by the DEIR, and comments received on the DEIR, should be used to inform another phase of planning for Coyote Valley. Once a revised Coyote Valley Plan is prepared, which includes a Phasing Plan, then a revised DEIR should be prepared and recirculated, to provide information about the revised Plan as well as to provide responses to comments on the March 2007 DEIR. We believe strongly that "another round" of planning and EIR work is needed in order to yield the type of Plan that San Jose has said it wants: one that can be adopted and implemented consistent with its objectives of accommodating growth in a balanced, managed, phased, mitigated, environmentally sensitive, feasible, "smart" manner.

Our common primary concerns and comments are summarized below:

A Phasing Plan for land uses and improvements must be developed before impacts can be adequately evaluated.

The DEIR indicates that a phasing plan is being developed for Coyote Valley development. We strongly believe that such a phasing plan must be an integral part of the Coyote Valley Plan itself. Given that "the project" is essentially a "new city" that will develop over a 50- or 60-year timeframe, a plan for phasing of development and installation of infrastructure is critical to being able to identify the level and timing of impacts, and to being able to impose mitigation measures that specifically describe the timing and responsibility for mitigation measures to minimize those impacts. Having such a phasing plan is critical to being able to evaluate the "feasibility" of mitigation measures, and of being able to impose mitigation requirements on projects to the extent feasible, even if the impact would not be fully mitigated. We recommend that after completion of the phasing plan and subsequent evaluation of impacts and mitigation measures based on that plan, a Revised Draft EIR be recirculated for public review and comment.

Lacking a phasing plan, South County agencies must look to the two San Jose General Plan "Prerequisite Conditions" (the existing adopted "triggers") in order to try to estimate the probable timing of Coyote Valley development, and associated impacts that would result from such development. Assuming that San Jose maintains the first trigger that requires 5,000 new jobs to locate within the North Coyote Valley already approved for development, and meets the second trigger by making a general finding or determination that "San Jose's fiscal condition is stable, predictable and adequate in the long term", such triggers would allow market forces to determine the location, type and rate of development after 5,000 new jobs (about 1.5 million sq. ft. of space) are created. This market-based scenario would likely lead to substantial housing development after that first 1.5 million square feet, with very little non-residential development accompanying the housing growth. That scenario, which is not evaluated in the DEIR, would result in the creation of many significant impacts, which would exist for many years, while Coyote Valley evolves toward build-out. If the phasing plan is not developed, the DEIR needs to evaluate the "market" scenario described above, and identify impacts and mitigation measures. Our preference is that a phasing plan that describes the location, type and intensity of development by phase be included as part of the Coyote Valley Specific Plan, and that the plan and implementing zoning and development agreements would require substantial completion of one phase before another could begin.

The Transportation Impact Analysis does not adequately identify traffic impacts or provide mitigation for those impacts.

The Transportation Impact Analysis (TIA) identifies near-term impacts to US 101 but does not propose any mitigation for those impacts, relying on State funding and possible participation in a regional transportation impact fee, should one be created. The TIA fails altogether to address Coyote Valley's contribution to cumulative traffic impacts that will occur on US 101. To date, there have been no meaningful, informed discussions between San Jose and South County agencies regarding the feasibility of a regional impact fee approach to mitigating impacts on regional transportation facilities. Such discussions should occur prior to completion of the EIR and adoption of the Coyote Valley Plan. The discussions would need to include Caltrans, and possibly counties adjacent to Santa Clara County. The lack of mitigation of these traffic impacts will likely result in congestion on US 101 comparable to or worse than that experienced in the late 1990's and early 2000's, which essentially was "F": Failure. That congestion resulted in significant diversion onto Monterey Road, Santa Teresa Boulevard, Uvas Road, McKean Road and Almaden Expressway. These impacts have

not been evaluated in the DEIR and no mitigation for them has been identified or required. Information about feasible traffic mitigation and timing of mitigation must be in the EIR.

The Water Supply Analysis does not identify the sources of water to be used or impacts that might result.

The description of the project does not clearly indicate the source(s) of water to be used for Coyote Valley development. An adequate and accurate environmental analysis is not possible without this information. In particular, the document suggests that recycled water from the South County Regional Wastewater Authority may be used. Pumping SCRWA recycled water to Coyote Valley to serve uses allowed by the Coyote Valley Specific Plan would transfer water from the southerly-flowing Llagas groundwater basin to the northerly-flowing Coyote and Santa Clara basins. Water from the Llagas groundwater basin will be needed to serve development in South County that relies upon the basin for its supply. This transfer to other basins could have significant environmental effects, none of which have been evaluated in the DEIR.

Identified Air Quality impacts are not proposed to be adequately mitigated.

Due to prevailing wind patterns, much of the air pollution generated in San Jose is blown into South County, creating serious health problems. The mitigation measures proposed in the DEIR will be minimally effective in addressing this issue. The DEIR needs to include the provision of air quality monitoring equipment to be located in South County. A requirement for mitigation of impacts identified by that equipment, as Coyote Valley developments occur, should be included in the DEIR.

The Mitigation Measures inadequately address the identified impacts.

The DEIR identifies many significant impacts and includes mitigation measures intended to address most of those impacts. However, many of those measures do not identify when the impacts will occur or when the mitigation will be provided. Nor do they identify who will be responsible for funding or implementing the mitigation. The DEIR makes reference to mitigation being provided as impacts occur, but does not require it. In addition, the document indicates there may be some "temporary" impacts, without specifying their duration. The DEIR needs to be amended to provide mitigation measures that are sufficiently specific so as to allow for their adequacy to be determined. The DEIR should clearly state whether it is a "program" level EIR or a "project level" EIR.

Suggested Next Step: Continued Focus on Making a Better Plan

As stated above, South County agencies do recognize and appreciate the significant planning effort and thoughtful consideration that has been given to development of the Coyote Valley Specific Plan. There is every opportunity to improve planning of the area from the existing plans for North Coyote Valley. We believe that it is the City's intent to be a "good neighbor" and mitigate the impacts that development of this area may have on South County. We believe that the planning and environmental analysis to date, along with the participation of San Jose and South County agencies in ongoing efforts such as the South County Circulation Study, the Santa Clara Valley Habitat Conservation Plan, and the South County/Llagas Groundwater Basin Water Supply Planning Study, are enabling San Jose and South County agencies to work together in an informed way to "plan ahead" for future development of Coyote Valley. We believe that there is no urgent reason to push

Mayor Chuck Reed

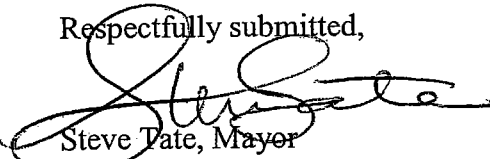
June 29, 2007


Page 4 of 4

toward completion of the Coyote Valley Specific Plan, and that it is better to "do it right" and ensure the smart growth outcome that is the goal for Coyote Valley.


We believe that the information generated to date by the DEIR, and comments received on the DEIR, should be used to inform another phase of planning for Coyote Valley. Once a revised Coyote Valley Plan is prepared, one that includes a Phasing Plan that describes the location, timing, type and intensity of development by phase, then a revised DEIR should be prepared and recirculated. A jobs/housing balance must be ensured through each phase of development of Coyote Valley, and projects must be required to mitigate their direct and cumulative impacts. The Plan must accommodate the missions and approaches to providing educational services as embraced by the Morgan Hill Unified School District and Gavilan College. In that a "specific plan" as defined by California Government Code section 65451(a)(4) must include "a program of implementation measures including regulations, programs, public works projects, and financing mechanisms necessary to carry out the Plan", San Jose may want to consider adopting only the first phase of the Coyote Valley Plan as a "specific plan" with implementing zoning, development agreements and financing mechanisms. The remainder of the Plan could remain at the General Plan/Area Plan level of detail, with additional implementing zoning, development agreements and financing mechanisms developed and adopted for future phases once the earlier phase is substantially complete.

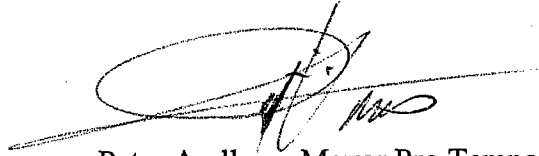
Respectfully submitted,

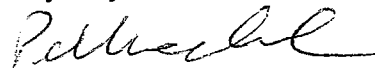
  
Steve Tate, Mayor  
Morgan Hill City Council


  
Daniel L. Ehrler, President/CEO  
Morgan Hill Chamber of Commerce

  
Steven Kinsella, President  
Gavilan College

  
Sig Sanchez, Director  
Santa Clara Valley Water District

  
Peter Arellano, Mayor Pro Tempore  
Gilroy City Council

  
Peter Mandel, Board President  
Morgan Hill Unified School District

  
Sylvia Hamilton, President  
San Martin Neighborhood Alliance

C: Morgan Hill City Council  
Ed Tewes, City Manager

cc: • Darryl Boyd  
S.S. Planning  
• Kathy Mollou Previsich  
• David Bischoff